## Message Text

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**ACTION EUR-12** 

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OFA-01 COME-00 DLOS-04 DODE-00 DOTE-00 EB-07 EPA-04

ERDA-07 FMC-02 TRSE-00 H-02 INR-07 INT-05 IO-10

JUSE-00 L-03 NSAE-00 NSC-05 NSF-02 OES-05 OMB-01

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**UNCLAS OTTAWA 3062** 

E.O. 11652: N/A
TAGS: N/A
SUBJECT: OVIP (KISSINGER HENRY A.) MEDIA REACTION (III)
TO SECRETARY'S SPEECH AT ABA ANNUAL MEETING IN MONTREAL
AUGUST 11

STATE FOR EUR/CAN: INR/RES; AMBASSADOR ANDERSON

USIA FOR IOP/M; IPS/PE; IBS

1. OTTAWA JOURNAL AUGUTST 14 DEVOTES LEAD EDITORIAL TO DISCUSSION KISSINGER ABA SPEECH DEALING WITH LAW OF THE SEA: "U.S. STATE SECRETARY KISSINGER'S POLICY STATEMENT THIS WEEK ON LAW OF THE SEA WAS A GUANTLET FLUNG DOWN TO MAJORITY OPINTION AMONG THE 140 NATIONS ATTENDING LAST SPRINGS UN LAW OF THE SEA CONFERENCE (LOSC) IN GENEVA. IT MEANT THAT THE UNITED STATES CANNOT ACCEPT THE LOSC'S DRAFT PROPOSALS FOR REGULATION OF THE MINING OF MINERAL DEPOSITS OF THE 'DEEP SEABEDS' - THE FLOORS OF THOSE AREAS OF THE OCEANS BEYOND THE CONTINENTAL SHELVES AND ANY NATIONAL JURISDIC-UNCLASSIFIED

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TIONS. "AT STAKE IS THE QUESTION OF WHO SHALL BE ALLOWED TO EXPLOIT

THE DEEP SEABED'S RICH DEPOSITS OF MANGANESE, NICKEL, BOBALT, COPPER AND OTHER MINERALS: ALSO, WHO SHALL SET THE PRICES FOR THESE MINERALS. MR. KISSINGER WAS INSISTENT THAT 'ALL COUNTRIES, AND THEIR CITIZENS' MUST BE ALLOWED 'DIRECTLY' TO EXPLOIT THEM; OR IMPLICITLY, THAT AMERICAN COMPANIES MUST BE ALLOWED TO TAKE A DIRECT ROLE RATHER THAN BE COMPELLED TO WORK THROUGH A UN AGENCY. NOR WOULD THE U.S. AGREE, HE SAID, TO A UN AGENCY BEING GIVEN THE POWER 'TO CONTROL PRICES OR PRODUCTION RATES' OF SEABED MINERALS.

"MR. KISSINGER DID AGREE WITH THE LOSC PROPOSAL THAT A UN INTERNATIONAL AUTHORITY SHOULD BE SET UP TO MAKE RULES FOR DEEP SEABED EXPLOITATION, AND TO ENSURE FAIR ADJUDICATION OF CONFLICTING INTERESTS AND SECURITY OF INVESTMENT.

"THE CONFLICT WITH AMERICAN POLICY CAN BE SEEN IN THE LOSC DRAFT PROPOSAL. ITS UN AUTHORITY WOULD BE ALLOWED TO TAKE COMMERCIAL OR NATIONAL PARTNERS FOR JOINT ECONOMIC VENTURES IN DEEP SEABED MINING; IT WOULD HAVE PRICE-FIXING RIGHTS, GIVING IT VIRTUAL CARTEL STATUS OVER SUCH COMMON SEABED RESOURCES AS NICKEL AND MAGANESE.

"IT IS THE PROPOSED CARTEL PRIVILEGE OF THE UN AUTHORITY THAT HAS ROUSED AMERICAN FEARS. IF IT COULD FIX PRICES FOR SEABED MINERALS THESE MIGHT BE SET AT A RATE MAKING IT ECONOMICALLY UNFEASIBLE FOR AMERICAN COMPANIES TO INVEST IN SEABED EXTRACTION. CARTEL STATUS MIGHT ALLOW THE AUTHORITY TO FREEZE OUT AMERICAN INVESTMENT. THAT WAS IN MR. KISSINGER'S MIND WHEN HE SAID THE AUTHORITY 'MUST PRESERVE THE RIGHT OF ACCESS PRESENTLY ENJOYED BY STATES AND THEIR CITIZENS UNDER INTERNATIONAL LAW.' NOR WOULD HE COUNTENANCE THE PROPOSALS OF SOME DEVELOPING COUNTRIES THAT THIS AUTHORITY SHOULD HAVE 'THE SOLE RIGHT TO EXPLOIT THE SEABEDS'

"NOTHING MR. KISSINGER SAID, HOWEVER, COULD BE TAKEN AS REPUDIATION OF THE 1970 UN DECLARATION THAT THE SEABEDS ARE THE COMMON HERITAGE OF MANKIND.' TRANSLATED, THAT MEANS THE ADVANCED NATIONS SHOULD NOT BE ABLE TO USE THEIR TECHNOLOGY TO STAKE OUT THE BEST CLAIMS AND REFUSE TO SHARE THEIR PROFITS WITH DEVELOPING NATIONS.

"HENCE HE PROPOSED THAT ALL COUNTRIES AND THEIR ENTERPRISES MINING DEEP SEABED RESOURCES 'SHOULD PAY AN AGREED PORTION OF THEIR REVENUES' TO THE UN AUTHORITY FOR THE BENEFIT OF DEVELOPING UNCLASSIFIED

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COUNTRIES; THAT, IT AMERICAN INTERESTS ARE PROTECTED, THE U.S. WOULD AGREE THAT THE UN AUTHORITY HAVE THE RIGHT 'TO CONDUCT MINING OPERATIONS ON BEHALF OF THE INTERNATIONAL COMMUNITY, PRIMARILY FOR THE BENEFIT OF DEVELOPING COUNTRIES.' "AMERICAN INTERESTS IN THIS ISSUE ARE ALSO THOSE OF CANADA, WESTERN EUROPE AND JAPAN. THEY REALIZE THAT AN UNRESTRICTED RACE FOR SEABED DOMAINS COULD, AS MR. KISSINGER SAID, 'LEAD TO UNRESTRAINED MILITARY AND COMMERCIAL RIVALRY AND MOUNTING

POLITICAL TURMOIL.' BUT THEY ARE NOT GOING TO ALLOW A UN VOTING MAJORITY TO JOCKEY THEM OUT OF SOME SHARE IN THE SEABED RESOURCES.

"THE NEXT LOSC IS IN MARCH, 1976, IN NEW YORK. THER MR.
KISSINGER'S POLICY STATEMENT CAN CONSTITUTE A COUNTERPROPOSAL TO THE GENEVA DRAFT PROPOSALS. WHAT IS NEEDED IS AN
AMALGAM OF THEIR MOST FEASIBLE PROPOSITIONS, ONE THAT CAN
GUARANTEE THE RIGHTS OF EVERYONE AND THE FAIREST DIVISION POSSIBLE
FOR ALL IN THE RICH SEABED HARVEST."

2. IN A SECOND EDITORIAL THE OTTAWA JOURNAL DISCUSSES RICHARD MURRAY'S COMPLAINT THAT SECRETARY KISSINGER HAS NOT COME TO OTTAWA (SEE OTTAWA 3048: SOME SNUBS ARE REAL, SOME IMAGINED. IN THE IMAGINARY CLASS MIGHT BE PUT THE ALLEGED SLIGHT OF U.S. STATE SECRETARY KISSINGER TO PRIME MINISTER TRUDEAU. "RICHARD MURRAY, COMMISSIONER OF THE FOREIGN INVESTMENT REVIEW AGENCY, THOUGH OTHERWISE IN A SPEECH TO THE AMERICAN BAR ASSOCIATION MEETING IN MONTREAL, TO WHICH CITY MR. KISSINGER HAD COME TO ADDRESS THE ABA A DAY EARLIER. MR. MURRAY FOUND IT 'A LITTLE SURPRISING' THAT THE SECRETARY OF STATE DID NOT THEN SPEND A DAY OR TWO IN OTTAWA TALKING TO MR. TRUDEAU. WITH TELEVISION CAMERAS RECORDING THEIR HEARTY GOOD FELLOWSHIP, SMILES, HANDSHAKES AND ALL THAT JAZZ, ONE ASSUMES.

"HOW DELIGHTFULLY PROTOCOL-MINDED AND OLD FASHIONED\* IT PRE-SUPPOSES, OF COURSE, THAT IF EXTERNAL AFFAIRS MINISTER MACEACHEN SHOULD VISIT CHICAGO OR HARVARD TO ADDRESS SOME AUGUST GROUP THERE, HE SHOULD THEN PROCEED TO THE WHITE HOUSE TO PAY HIS RESPECTS TO PRESIDENT FORD.

"ASIDE FROM THE FACT THT SUCH FORMALITY MIGHT DISRUPT MR. FORD'S GOLFING SCHEDULE, MR. MURRAY SHOULD KNOW IT IS RENDERED NEEDLESS BY CUSTOM. CANADIAN MINISTERS OF EXTERNAL AFFAIRS HAVE GONE SOUTH TO SPEAK TO CANADIAN CLUBS, UNIVERSITY GATHERINGS AND OTHER GROUPS, THEN PROCEEDEDHOME WITHOUT A DETOUR UNCLASSIFIED

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VIA WASHINGTON AND PRESIDENTIAL HANDSHAKE. NO SNUBS WERE INTENDED OR IMAGINED.

"MESSRS TRUDEAU AND KISSINGER ARE DUE TO MEET, IN THEIR OWN GOOD TIME WHEN AN AGENDA FOR THEIR TALKS IS PREPARED. MEANWHILE, CANADIANS AND AMERICANS HAVE ENOUGH PROBLEMS WITH ONE ANOTHER WITHOUT THE INJECTION OF FANCIFUL ONES."

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